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10 Attorneys for Creditor
AMTRUST BANK
11

12 UNITED STATES BANKRUPTCY COURT

13 DISTRICT OF NEVADA, LAS VEGAS DIVISION

14 In re

Case No. BK-S-06-10725-LBR
Case No. BK-S-06-10726-LBR
Case No. BK-S-06-10727-LBR
Case No. BK-S-06-10728-LBR
Case No. BK-S-06-10729-LBR

15 USA COMMERCIAL MORTGAGE
COMPANY,

16 Debtor.
17

Chapter 11

18 USA CAPITAL REALTY ADVISORS, LLC,

Jointly Administered Under
Case No. BK-S-06-10725-LBR

19 Debtor.
20

USA CAPITAL DIVERSIFIED TRUST DEED
21 FUND, LLC,

**DECLARATION OF MICHAEL
FRAUENTHAL IN SUPPORT OF
AMTRUST BANK'S MOTION FOR
RELIEF FROM THE AUTOMATIC STAY**

22 Debtor.
23

Date: November 13, 2009

Time: 9:30 a.m.

Place: Courtroom 1

Foley Federal Building
300 Las Vegas Blvd., South
Las Vegas, Nevada

24 USA CAPITAL FIRST TRUST DEED FUND,
LLC,

25 Debtor.
26

USA SECURITIES, LLC,

27 Debtor.
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1 AFFECTS:
 2 All Debtors
 3 USA Commercial Mortgage Company
 4 USA Capital Realty Advisors, LLC
 5 USA Capital Diversified Trust Deed
 6 Fund, LLC
 7 USA Securities, LLC.

8
 9 I, Michael Frauenthal, declare as follows:
 10

11 1. I am a principal of Michael Frauenthal & Associates, Inc. I make this declaration
 12 based upon facts personally known to me and, if called upon to testify herein, I could and would
 13 competently testify thereto under oath. I submit this declaration in support of the Motion of
 14 AmTrust Bank ("AmTrust") for Relief from the Automatic Stay (the "Motion").
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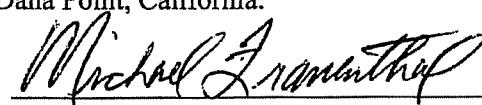
16 2. My educational background includes a Bachelor of Science degree in
 17 Business/Real Estate Finance from the University of Southern California. I have an Appraisal
 18 Institute designation of MAI (MAI Member Number 7093) and Certified General Real Estate
 19 Appraiser designation (AG002952) from the Office of Real Estate Appraisers, State of California.
 20 I have been involved in the real estate business for more than 33 years and have been a real estate
 21 appraiser for approximately 33 years. I have performed numerous appraisals on commercial,
 22 industrial, residential, vacant land, and special purpose properties in southern California, including
 23 several appraisals of properties located in Riverside County, California where the property that is
 24 the subject of the Motion is located. A copy of my resume is included in the appraisal report
 25 attached to this declaration.
 26

27 3. Attached hereto as Exhibit "1" is a true and correct copy of an appraisal report (the
 28 "Appraisal") dated June 6, 2008, of Roripaugh Ranch, a proposed 1,061-unit residential
 development located along the extension of Butterfield Stage Road, south of Murrieta, Hot
 Springs Road, in Temecula, California (the "Property"). I prepared the Appraisal, which
 represents my opinion of the value of the Property as of the dates specified therein. I prepared the
 Appraisal in conformity with the Uniform Standards of Professional Practice adopted by the
 Appraisal Standards Board of the Appraisal Foundation.
 29

1 4. For the reasons described in the Appraisal, it is my opinion that the fee simple
2 market value of the Property in its "as is" condition as of May 28, 2008, was between the
3 estimated amounts of \$15,300,000 assuming CFD Reimbursements and \$15,600,000 assuming no
4 CFD Reimbursements. Further, the prospective value of the Property as of August 31, 2009, was
5 estimated at \$82,200,000 if the Property is completed to "blue-topped" condition excluding CFD
6 Reimbursements. It is my understanding, however, that development activity at the Property has
7 ceased and the Property is not in "blue-topped" condition.

8 I declare under penalty of perjury under the laws of the United States of America that the
9 foregoing is true and correct.

10 Executed this 9 day of October 2009, at Dana Point, California.



MICHAEL FRAUENTHAL

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